# Columbus Redevelopment Commission City Hall April 26, 2007 Page 1 of 3

Rich Stenner - Vice-Chair called the meeting to order with the following members in attendance: Corey Carr, George Van Horn, Staff Ed Curtin.

Guests – Bruce Donaldson, Mike Claytor

Quorum of commission present.

#### Minutes

Copies of minutes from previous three meetings – to be reviewed at May meeting.

(\*\* - denotes questions)

### **Action Items**

<u>Tax Amendment Request – PMG Indiana Corp - Jim</u>

PMG Indiana, formerly Diamet on Arcadia Drive is requesting a tax abatement on the expansion. This is for both real and personal property in the TIF area. Plan on retaining all 259 employees; create 73 full-time positions as a result of this. Real property expansion is only about 6500 square feet, squeeze in some equipment but invest about \$2.5 million in that real property expansion and then purchase about \$9 million in personal property.

Cover letter from President and full application that has been submitted to the City. Goes to Council the 1<sup>st</sup> of May. This would normally go to Council with recommendation/approval from us. Base approval on ability to repay debt.

Committee questions – none. George VanHorn moves approval, Corey Carr second. APPROVED

Consider Resolution for Issuance of Bonds – Project in Woodside Northwest – Bruce/Mike

Bruce – Asked to expand central economic development area in TIF allocation area, which I believe you did at least meeting to incorporate this area. Issue another series of bonds that would be payable from this large TIF area to support the infrastructure at Woodside Northwest. Corey added some diligence and determined that the best way to market this would be the same way we are attempting to market the parking garage bond, which is to put a property tax backup behind it, not ever expecting that it would have to be levied but a credit enhancement guarantee. Resolution you have before you is very much like the parking garage resolution you adopted a few months ago. Set up to be primarily payable from the central area TIF revenues and only to the extent that those would be insufficient would you levy the taxes as backup. Request to State Department of Local Government to get approval of that. Submitted a petition on the agenda for their May 24, 2007 meeting.

# Columbus Redevelopment Commission City Hall April 26, 2007 Page 2 of 3

Will forward agenda/time for that meeting. Resolution authorizes the bonds not to exceed \$1 million, term not to exceed 22 years.

Mike – Basically the same process as Bruce said will show what amounts are available, what coverage amounts would be. Little fuzzy right now what the bond size will be. Have modeled it about \$900,000. Seeking approval for up to \$1 million in bonds, outside parameter. Way TIF stream looks in terms of the not taking an old abatement roll off prior to the establishment of the commission and with the new projects preceding abatement, there will be some capitalized interest and with that capitalized interest if we do scale about \$900,000 in bonds we have useable proceeds of about \$700,000. If we do push it to \$1 million, it will be something just under \$800,000 as useful proceeds.

Bruce - City Council requires approval of both the expansion to the area and the bonds. Under State Statute it is only \$3 million over that the Council has to approve. Under their creation ordinance they put \$500,000 threshold for their approval so we will be going to the Council on May 1<sup>st</sup> with both those agenda items and the last step would be when May 7<sup>th</sup> Redevelopment hearing held, still need to have public hearing to appropriate the bond proceed with the projects and publication of that notice. That positions us to go to the Control Board later in May.

Mike – Project itself is basically water, sewer and access to Woodside Northwest. Major project, the industrial park financially feasible for the developer, we committed to assisting with the infrastructure with TIF revenue. What is in the model right now in terms of does this make sense financially, is probably higher, and probably needs to be closer to \$800,000 net proceeds towards the project.

Discussion — we could still hit something close to the \$800,000. If we are pushing beyond that we would have to do some relooking at. One of the things we could do is push some principal out further in the debt issuance. That is more expensive from an interest standpoint. We have not modeled into something like that but that could pull a little bit more proceeds out of the deal to be able to push things further down the line rather than trying to use up the principal payments as quickly as possible.

- Rich The limitations that you are taking about the limitations are based on tax increment that we are actually going to see?
- Mike Correct. We have modeled the revenue screen and only to the revenue screen without considering prior abatement. We certainly do consider all future abatement that will work out, future ability that we are aware of but not anything prior to that. This is the same district on which we issued the parking garage bond? (We have authorized it.)
- Rich You are telling us we have the revenue to cover the cost?
- Mike Yes.
- Corey This will cover a portion of the cost? What is the projection on what the whole thing will cost?

# Columbus Redevelopment Commission City Hall April 26, 2007 Page 3 of 3

• Mike - Do not know what percent of the whole project we are financing?

Corey - When we talked with the developer about the project in the first place, the estimate at that time was the infrastructure was a million and a quarter. There have been some changes to it and we do not have a revised number.

- George So we are funding most?
- Corey Yes. The intent was try to end up with TIF and money from the State somewhere between \$900 and a million.
- Rich Tax exempt?
- Mike Yes. Assuming tax exempt, obviously your revenues are also impacted by the split that we will have when we actually do issue the parking garage contract. How much of that will be tax and how much will be tax exempt. The more of that which is taxable then there is more of an impact on these markets as far as revenue capacity. We want as much as possible of the parking garage bonds to be tax exempt. The parking garage will have some private component, so part of the bonds will have to be taxable. Primarily retail component but there are some other things that will fall into that, some chunk is going to be taxable. Because that will be at a taxable interest rate instead of tax exempt, that will eat up more of your revenues by those interest payments and if we did the whole thing taxable that would reduce the amount of revenue available for the second bond issue. We want as much as possible for that to be tax exempt so there will be more revenue payable for this one.

There are potential other revenues that in being conservative we have not assumed so we have not assumed that somebody is going to come in that we do not know about and build \$100 million worth of something. We have not assumed that there will be any profit from the retail with the parking spaces of the garage that could be used for debt service. Those have not been included in the mix, which if we did include would make the numbers look a little better but we are just being very conservative.

Corey - Using Indigo?

Mike - Yes. Definitely Indigo has been in there the whole time. I know Ed gave us a bunch more information on things that are in building permit process and I need to go back and check.

• Developer is – Indisites?

Draft of resolution in front of committee – Corey Carr moved, second by George Van Horn. APPROVED

Meeting adjourned 1:36 p.m.